



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	SB0068	<b>Title:</b>	Remove termination date for crime victims compensation account
<b>Primary Sponsor:</b>	Caferro, Mary	<b>Status:</b>	As Introduced

- |                                                           |                                                        |                                                                     |
|-----------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns                         |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$252,908	\$252,908	\$252,908	\$252,908
Federal Special Revenue	\$151,745	\$151,745	\$151,745	\$151,745
Other	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	(\$252,908)	(\$252,908)	(\$252,908)	(\$252,908)
State Special Revenue	\$252,908	\$252,908	\$252,908	\$252,908
Federal Special Revenue	\$151,745	\$151,745	\$151,745	\$151,745
Other	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$252,908)</u>	<u>(\$252,908)</u>	<u>(\$252,908)</u>	<u>(\$252,908)</u>

**Description of fiscal impact:** SB 68 removes the termination date for the crime victims compensation (CVC) account, established in 53-9-113, MCA, which was set to terminate on June 30, 2015. The statutory appropriation currently listed in 17-7-502, MCA that references the CVC account will become permanent.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Justice**

- SB 68 removes the termination date of June 30, 2015 from HB 108 which was passed by the 2009 Legislature. That bill redirected certain state revenues from the state general fund to the crime victims compensation (CVC) account and provided a statutory appropriation for the account. Removal of the


termination date makes the redirection of general fund revenue to the CVC account and the statutory appropriation permanent.

2. It is estimated that approximately 750 claims are made to the CVC program annually primarily for medical costs.
3. It is projected that approximately \$252,908 in revenue will be collected in the CVC account based upon average collections since 2011. This revenue will be used to pay claims.
4. State dollars in the CVC account will be matched with federal dollars based upon the Victims of Crime Act (VOCA) formula used by the federal government. A 60% match with federal dollars is estimated. Based on projected state expenditures, the federal match is estimated to be \$151,745.
5. 17-1-508, MCA, requires analysis of the statutory appropriation relative to the guidance in 17-1-508(3), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

	<u>YES</u>	<u>NO</u>
a. The money is from a continuing, reliable, and estimable source.	X	
b. The use of the appropriation or the expenditure occurrence is predictable and reliable.	X	
c. The authority exists elsewhere.		X
d. An alternative appropriation method is available, practical, or effective.	X	
e. It appropriates state general fund money for purposes other than paying for emergency services.	X	
f. The money is used for general purposes.		X
g. The legislature wishes to review expenditure and appropriation levels each biennium.	X	
h. An expenditure cap and sunset date are excluded.	X	

6. In accordance with 17-1-507, MCA, the dedication of revenue form has been completed for the CVC account and is attached to this fiscal note.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Benefits	\$404,653	\$404,653	\$404,653	\$404,653
<b>TOTAL Expenditures</b>	<u>\$404,653</u>	<u>\$404,653</u>	<u>\$404,653</u>	<u>\$404,653</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$252,908	\$252,908	\$252,908	\$252,908
Federal Special Revenue (03)	\$151,745	\$151,745	\$151,745	\$151,745
<b>TOTAL Funding of Exp.</b>	<u>\$404,653</u>	<u>\$404,653</u>	<u>\$404,653</u>	<u>\$404,653</u>
<b><u>Revenues:</u></b>				
General Fund (01)	(\$252,908)	(\$252,908)	(\$252,908)	(\$252,908)
State Special Revenue (02)	\$252,908	\$252,908	\$252,908	\$252,908
Federal Special Revenue (03)	\$151,745	\$151,745	\$151,745	\$151,745
<b>TOTAL Revenues</b>	<u>\$151,745</u>	<u>\$151,745</u>	<u>\$151,745</u>	<u>\$151,745</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$252,908)	(\$252,908)	(\$252,908)	(\$252,908)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

\_\_\_\_\_  
Sponsor's Initials\_\_\_\_\_  
Date
  
 Budget Director's Initials

  
 Date



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## Dedication of Revenue 2017 Biennium

### **17-1-507-509, MCA.**

#### ***Crime Victims Compensation Account***

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay?**  
Yes. Victims of crime will benefit from this dedicated revenue. They will receive additional financial assistance to pay medical bills, funeral costs, or coverage for lost wages that have resulted because of the crime committed against them.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

Restitution dollars deposited directly into a state special directly benefits crime victims because the revenue would not be appropriated for other uses by the legislature. The formula used by the federal government to determine VOCA grant funds payable to a state will no longer penalize Montana for collecting restitution from criminals and not using this money for benefits to crime victims.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Yes. Under 46-18-236(1), MCA, perpetrators of crime may receive a court order to pay restitution for their crime. Under SB 68, the restitution dollars received in the state special revenue fund will be used to pay medical, funeral, or lost wages claims for the victims of crime. Along with the available federal match dollars, funds deposited into the crime victims compensation (CVC) account are expected to be sufficient to cover 100% of the total benefit payable to a victim of crime (which maxes out at \$25,000) throughout each fiscal year.

- d) **Does the need for this state special revenue provision still exist? ☒ Yes ☐ No**

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending?**

No. The funds are statutorily appropriated and are tracked separately on the state's accounting system.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need?**

Yes. Crimes continued to be committed that cause financial injuries to their victims, and this revenue will help relieve crime victims of some of the financial injury they have incurred as a result of the crime against them.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

There is no impact to the agency with respect to its accounting and auditing capabilities. Currently a portion of the funding for the CVC program is general fund. This bill will redirect restitution dollars from criminals, for payment of benefits to crime victims, and will derive additional revenues for crime victim benefits from federal match dollars.